

NUTRITION SERVICES DIVISION MANAGEMENT BULLETIN		No. 02-223
TO:	Child and Adult Care Food Program Sponsors For-Profit Child Care Centers	ISSUE DATE: August 2002
ATTENTION:	Food Program Director	
SUBJECT:	Eligibility of For-Profit Child Care Centers	
REFERENCE:	United States Department of Agriculture APB: CAC-01-13	

This Management Bulletin provides questions and answers prepared by the United States Department of Agriculture (USDA) regarding the eligibility of for-profit (proprietary) child care centers to participate in the Child and Adult Care Food Program (CACFP).

Information regarding a proprietary center's eligibility for CACFP participation was previously provided in a letter sent to proprietary child care center sponsors in May 2002. To reiterate, a proprietary center is eligible for CACFP participation if it meets at least one of the following two criteria:

- **Title XX-CACFP Regulations:** To be eligible for the Title XX option, a proprietary center must document and certify that at least 25 percent of the center's enrolled children or licensed capacity, whichever is less, are Title XX beneficiaries. Title XX refers to Title XX of the Social Security Act. In California, Title XX funds have been pooled with the various state and federal child care funds, making Title XX synonymous with state and federally subsidized child care. In order for the center to claim monthly meal reimbursement, the 25 percent threshold must be met on a monthly basis.
- **Free and Reduced Price Eligibility:** To participate under the free and reduced price option, a proprietary center must document that at least 25 percent of its enrollment or licensed capacity, whichever is less, is eligible for free or reduced price meal reimbursement. As with the Title XX option, the 25 percent threshold must be met on a monthly basis in order for the center to claim monthly meal reimbursement. To meet this threshold, a center must certify the eligibility for 25 percent of its children by using the free and reduced price meal application process that has been established by USDA for the CACFP.

Questions and Answers

Q-1: Can a for-profit center switch eligibility criteria for meeting the 25 percent Title XX enrollment or licensed capacity in one month, to meeting the 25 percent free and reduced price in another month?

A-1: Yes, as long as the center can document monthly that it meets one of the above two criteria. A center cannot combine the two eligibility criteria to reach the 25 percent threshold. The center should choose the most advantageous option.

Q-2: To initially approve a for-profit center under the new provision, will completed free and reduced price applications be reviewed to ensure that 25 percent enrolled children are eligible, or is a certification by the center sufficient?

A-2: A certification by the center is adequate; however, during a pre-approval visit to the center, staff of the California Department of Education, Nutrition Services Division will review the completed applications for accuracy, discuss program requirements, and train center staff on critical program operations.

Q-3: Are States to include for-profit centers in their pre-approval visit schedule?

A-3: Yes. The Richard B. Russell National School Lunch Act, section 17(d)(1)(B), *Approval of Private Institutions* stipulates that "...the State agency conduct a satisfactory visit to the institutions before approving the participation of the institution...." This includes for-profit institutions.

Q-4: Can a for-profit center that does not qualify for CACFP based on Title XX or 25 percent free and reduced price applications in its traditional child care component take applications from its at-risk snack participants and combine the two components to meet the 25 percent threshold?

A-4: No. In determining a for-profit center's eligibility for at-risk snack reimbursement, only the enrollment or licensed capacity of the traditional child care component of the center should be considered in calculating whether the center meets the 25 percent criterion. In addition, please note that there would be no free and reduced price applications in the CACFP at-risk component because eligibility is based on area data. For further explanation, refer to the December 1, 1999, memorandum regarding eligibility of at-risk after school snack participation.

If you have any questions, please contact your nutrition services representative, the Field Services Unit at (916) 445-0850 or (800) 952-5609, or John Copley at (916) 323-6631 or jcopley@cde.ca.gov.

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